

**REPORT OF THE AUDIT OF THE
SCOTT COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2009**



**CRIT LUALLEN
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE SCOTT COUNTY FISCAL COURT

June 30, 2009

The Auditor of Public Accounts has completed the audit of the Scott County Fiscal Court for fiscal year ended June 30, 2009.

We have issued unqualified opinions on the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Scott County, Kentucky.

Financial Condition:

The Fiscal Court had net assets of \$67,640,944 as of June 30, 2009. The Fiscal Court had unrestricted net assets of \$23,570,997 in its governmental activities as of June 30, 2009, with total net assets of \$67,629,337. In its business-type activities, total net cash and cash equivalents were \$11,607 with total net assets of \$11,607. The Fiscal Court had total debt principal as of June 30, 2009 of \$435,000 with \$435,000 due within the next year.

Deposits:

The fiscal court's deposits were exposed to custodial credit risk as follows:

- Uncollateralized and Uninsured - \$500,583 as of June 30, 2009

The fiscal court's deposits were covered by FDIC insurance and a properly executed collateral security agreement, but the bank did not adequately collateralize the fiscal court's deposits in accordance with the security agreement.

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1
SCOTT COUNTY OFFICIALS	3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS	15
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS	18
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	22
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	26
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS ..	31
STATEMENT OF NET ASSETS - PROPRIETARY FUND - MODIFIED CASH BASIS	35
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUND - MODIFIED CASH BASIS	39
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - MODIFIED CASH BASIS	43
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUND - MODIFIED CASH BASIS	47
NOTES TO FINANCIAL STATEMENTS.....	49
BUDGETARY COMPARISON SCHEDULES	63
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	66
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	69
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS	73
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	77
APPENDIX A:	
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM	



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

To The People Of Kentucky
Honorable Steven L. Beshear, Governor
Jonathan Miller, Secretary
Finance And Administration Cabinet
Honorable George Lusby, Scott County Judge/Executive
Members Of The Scott County Fiscal Court

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Scott County, Kentucky, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Scott County Fiscal Court. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States Of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide For Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, Scott County, Kentucky, prepares its financial statements in accordance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Scott County, Kentucky, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



To the People of Kentucky
Honorable Steven L. Beshear, Governor
Jonathan Miller, Secretary
Finance and Administration Cabinet
Honorable George Lusby, Scott County Judge/Executive
Members of the Scott County Fiscal Court

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scott County, Kentucky's basic financial statements. The accompanying supplementary information, combining fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated May 7, 2010, on our consideration of Scott County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", written in a cursive style.

Crit Luallen
Auditor Of Public Accounts

May 7, 2010

SCOTT COUNTY OFFICIALS

For The Year Ended June 30, 2009

Fiscal Court Members:

George Lusby	County Judge/Executive
Patsy Rich	Magistrate
Gary Allen Perry	Magistrate
Stewart Hughes	Magistrate
Bobby Rankin	Magistrate
John T. Hoffman	Magistrate
Tom Prather	Magistrate
Chuck Tackett	Magistrate

Other Elected Officials:

Glenn Williams	County Attorney
Larry Covington	Jailer
Jackie Covington	County Clerk
Karen Boehm	Circuit Court Clerk
Bobby Hammons	Sheriff
Tim Jenkins	Property Valuation Administrator
John Goble	Coroner

Appointed Personnel:

Jane L. Lucas	County Treasurer
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**Scott County Fiscal Court
Management's Discussion And Analysis
June 30, 2009**

The financial management of Scott County, Kentucky offers readers of Scott County's financial statements this narrative overview and analysis of the financial activities of Scott County for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with other information that we have furnished in our letter of transmission and the notes to the financial statements.

Financial Highlights

General Fund

The fiscal year ending June 30, 2009, showed a net decrease of revenues from the previous year of \$7,134,408. This was due mainly to net profits going from \$5,139,569 in 2008 to \$1,209,211 in 2009, a difference of \$3,930,358, and payroll taxes dropping from \$11,493,414 in 2008 to \$9,620,868 in 2009, a loss of \$1,872,546. These are the County's main sources of revenue and together there was a total decrease of \$5,802,904.

Some revenue sources were up over the previous year and should continue. Property tax revenue increased by \$94,878, and ambulance fees increased \$137,149. This trend should continue at about the same pace for the coming decade or longer. County Clerk fees, also, showed an increase of \$33,278 due to an increase in fee charges. It is expected for these fees to remain steady depending on the economic status in the next year. Payroll taxes that were down along with net profits are expected to follow this trend and will probably not change as the cutbacks by Toyota and other businesses in the coming year is expected to be down.

The biggest concern involves the net profits. This is especially significant since this is a downward trend over the past 6 years and is the lowest amount collected in over a decade. It should also be noted that Toyota has put us on notice their net profit payments to the county for the next few years will continue to be down or even at zero. A second important source of income is our earned interest. During the past year the county earned an average of 3.5% on CDs. We are now getting about 2.5%, plus the county has cashed in \$2,000,000 of the CDs. This translates into a loss of about \$250,000 in earned income. It should be pointed out also with the down turn in the housing market that income from building, electrical and deed fees will be down although it will be difficult to determine how much.

As we prepare for the 2010 fiscal year, several issues must be addressed among these is the rapid rise in fuel costs. This alone could cost the county and additional \$250,000. There are a couple of other large projects that are planned for the coming year including the building of a new road through the recently purchased Taylor property. The road is estimated to cost \$2,500,000. This project will need to be delayed pending the current budget situation.

Two other major capital projects are the completion of the park at great crossing and the reservoir. The park will begin with the completion of the connector road and then improvements phased in over a time period based on available funds. The reservoir project is waiting for approval from the Corps of Engineers. When and if that is received work will begin and depending on the cost will be bonded if the cost would put a strain on the regular operation of the county budget.

Scott County Fiscal Court
Management Discussion and Analysis
June 30, 2009
(Continued)

Financial Highlights (Continued)

General Fund (Continued)

A final concern is the increase in the number of employees and the rapid rise in benefits especially the cost of health insurance. These costs have more than tripled in just the past 5 years and are forecast to continue in the years to come.

Scott County is in a very good financial position at this time having acquired no new debt in the past 19 years. The coming year, however, will be the biggest challenge to maintain our excellent financial status due to the rapid inflation rise, the soaring cost of fuel, the rising cost of personnel benefits, the escalating cost of the jail and the down turn in the economy. As we venture into this unknown state of the economy it will be wise to forego several projects of major cost until the economy stabilizes. It will be the job of the County Judge/Executive to keep the fiscal court up to date as the year progresses and it will be his responsibility to lead them through these difficult times. This of course, will require the continued working together of the entire fiscal court. The court has already taken several steps to cut expenses including changing the insurance coverage to avoid a \$366,000 increase, limiting out of county travel, and only hiring new personnel to replace open positions.

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to Scott County's basic financial statements. Scott County's basic financial statements are comprised of three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GASB 34 requires management to include certain comparison schedules when they are available. These schedules include prior and current comparisons of general revenues by major source, and program expenses by function.

Government-wide Financial Statements. The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of Scott County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of Scott County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Scott County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported on a modified cash basis of accounting. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and related assets and liabilities.

Overview Of The Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

Under the County's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from a cash transaction, except for the recording of depreciation expenses on capital assets in the government-wide financial statements for all activities and in the fund financial statements for the proprietary fund financial statements.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as amounts billed for services provided, but not collected) and accounts payable (expenses for goods and services received but not paid) or compensated absences are not recorded.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Scott County's governmental activities include general governmental, protection to persons and property, roads, recreation, and social services. The county has one business type activity - the operation of a jail canteen.

The government-wide financial statements include not only Scott County itself (known as the primary government), but also legally separate entities, which have a significant operational or financial relationship with the county. Scott County has one such entity, the public properties corporation. It is known as a blended component unit.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Scott County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Scott County can be divided into three broad categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Scott County Fiscal Court
Management Discussion and Analysis
June 30, 2009
(Continued)

Governmental Funds (Continued)

Scott County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, Jail Fund, and Public Properties Corporation Fund, all of which are considered major funds by the county. The Local Government Economic Assistance Fund, McCracken Fund, and Hospital Fund, are considered non-major funds and are represented in a combined form.

Scott County adopts an annual appropriated budget for its major governmental funds except for the public properties corporation fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with their budgets.

Proprietary funds. Proprietary funds provide the same type of information as the business-type activities column on the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Jail Canteen Fund.

Fiduciary Fund. Scott County has one fiduciary fund. The Jail Inmate Fund is used to account for monies held by the county for a custodial purpose only.

Notes To The Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis.

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

Table 1
Scott County's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
<u>Assets</u>						
Current And Other Assets	\$ 26,413,642	\$ 23,665,900	\$ 17,529	\$ 11,607	\$ 26,431,171	\$ 23,677,507
Capital Assets	44,750,707	44,398,437			44,750,707	44,398,437
Total Assets	71,164,349	68,064,337	17,529	11,607	71,181,878	68,075,944
<u>Liabilities</u>						
Current And Other Liabilities	415,000	435,000			415,000	435,000
Long-Term Liabilities	435,000				435,000	
Total Liabilities	850,000	435,000			850,000	435,000
<u>Net Assets</u>						
Invested In Capital Assets, Net						
Of Related Debt	43,900,707	43,963,437			43,900,707	43,963,437
Restricted For:						
Nonexpendable	86,070	87,595			86,070	87,595
Expendable	4,762	7,308			4,762	7,308
Unrestricted	26,322,810	23,570,997	17,529	11,607	26,340,339	23,582,604
Total Net Assets	\$ 70,314,349	\$ 67,629,337	\$ 17,529	\$ 11,607	\$ 70,331,878	\$ 67,640,944

Scott County Fiscal Court
Management Discussion and Analysis
June 30, 2009
(Continued)

Table 2
Comparison of Governmental Activities

	Governmental Activities		% Change
	2008	2009	
<u>Revenues</u>			
General Revenues-			
Taxes-			
Real Property Taxes	\$ 1,895,060	\$ 1,989,938	5.01%
Personal Property Taxes	76,164	9,954	-86.93%
Motor Vehicle Taxes	458,458	461,860	0.74%
Occupational Tax/Net Profit Tax	16,632,983	10,830,079	-34.89%
Excess Fees	2,391,949	2,353,448	-1.61%
Miscellaneous Revenues	3,358,000	1,496,500	-55.43%
Accrued Interest Received	1,297,172	902,851	-30.40%
Charges For Services	1,378,255	1,366,742	-0.84%
Operating Grants And Contributions	2,429,117	3,406,564	40.24%
Capital Grants And Contributions	-	796	100.00%
Total Revenues	<u>29,917,158</u>	<u>22,818,732</u>	-23.73%
<u>Expenses</u>			
General Government	12,592,274	12,694,290	0.81%
Protection To Persons And Property	6,470,862	8,204,125	26.79%
General Health And Sanitation	711,183	775,307	9.02%
Social Services	390,959	385,332	-1.44%
Recreation And Culture	1,334,500	1,142,234	-14.41%
Roads	2,416,422	2,561,914	6.02%
Interest On Long-Term Debt	473,975	30,638	-93.54%
Capital Projects	1,476,899	134,271	-90.91%
Total Expenses	<u>\$ 25,867,074</u>	<u>\$ 25,928,111</u>	0.24%

Changes In Net Assets.

Governmental Activities. Scott County's net assets decreased by \$3,109,379 in fiscal year 2009.

- Current assets and cash decreased \$2,747,742.
- Investment in capital assets, net of related debt increased \$62,730.
- Current and long-term liabilities decreased by \$415,000.
- Revenues were \$22,818,732 as reflected in the Statement of Activities.
- Expenditures totaled \$25,928,111 as reflected in the Statement Of Activities.

Business-Type Activities. Scott County's net assets decreased by \$5,922 in fiscal year 2009.

Financial Analysis Of The County's Funds.

As noted earlier, Scott County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Scott County Fiscal Court
 Management Discussion and Analysis
 June 30, 2009
 (Continued)

Financial Analysis Of The County's Funds (Continued)

Governmental Funds Overview. The focus of Scott County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the June 30, 2009 fiscal year, the combined ending fund balance of Scott County's governmental funds was \$23,665,900. Approximately 99% (\$23,560,197) of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance (\$105,703) is reserved to indicate that it is not available for new spending because it is committed.

The county has 7 governmental funds. These are 1) General Fund; 2) Road Fund; 3) Jail Fund; 4) Local Government Economic Assistance Fund; 5) Hospital Fund; 6) McCracken Trust Fund 7) Public Properties Corporation Fund.

1. The General Fund is the chief operating fund of Scott County. At the end of the June 30, 2009 fiscal year, the total fund balance of the General Fund was \$22,737,125. The county received \$10,830,079 in occupational and net profit tax revenues. This accounts for approximately 51% of the general fund revenue. \$1,989,938 was received from real and personal property taxes and accounts for approximately 9% of the county's general fund revenue.
2. The Road Fund is the fund related to county road and bridge construction and maintenance. The road fund collected \$1,036,970 during the past fiscal year and had a carryover of \$87,460 plus \$1,870,000 transferred in from the General Fund for a total operating amount of \$2,994,430. Expenses for the year were \$2,978,613 leaving a balance of \$15,817. The largest expense is for road maintenance plus salary and benefits each being over \$1,000,000.
3. The Jail Fund is used to account for the operation of the county's detention program. The Jail Fund received \$387,544 in revenue generated from its operations. There was \$2,020,000 transferred in from the General Fund plus a carryover of \$68,770 for total operating revenue of \$2,476,314. Total expenses for the year were \$2,433,985 leaving a balance of \$42,329.
4. The Local Government Economic Assistance Fund received \$196,140 and had a carryover of \$191,491 for a total operating balance of \$387,631. Expenses for the year totaled \$0 leaving a balance of \$387,631. Money from this fund is used to pay for road improvements.
5. The Hospital Fund revenue is generated from certificates of deposits from the sale of the old hospital. The principal of these CD's is \$378,000. The interest earned from these CD's is used for indigent care and pauper funerals. The fund received \$19,082 in interest and had a carryover of \$386,217 for a total amount of \$405,299. Expenses were \$17,500 leaving a balance of \$387,799.

Scott County Fiscal Court
Management Discussion and Analysis
June 30, 2009
(Continued)

Financial Analysis of the County's Funds. (Continued)

6. The McCracken Trust Fund is used to pay for care for the indigent. The money in this fund is generated from a trust fund and only the interest can be spent, with one-third of the money going back into the trust fund. This fund received \$4,599 in interest and had a carryover of \$90,833, for a total of \$95,432. Expenses totaled \$529, leaving a carryover balance of \$94,903.
7. The Public Properties Corporation Fund is used to pay the debt service payments for the series 1997 refunding issue. Transfers are made from the General Fund and the Jail Fund to the Public Properties Corporation Fund for the payments to then be made by the third party trustee. As of June 30, 2009 there was an outstanding principal balance of \$435,000 and outstanding interest of \$10,331 for a total of \$445,331. This bond is scheduled to be paid off in full on January 1, 2010.

Proprietary Funds Overview. The County's proprietary fund statements provide the same type of information found in the business-type activities column of the government-wide statements, in more detail.

Scott County has one enterprise fund, the Jail Canteen Fund. The Jail Canteen Fund had net assets of \$11,607 as of June 30, 2009 and a cash balance of \$11,607.

General Fund Budgetary Highlights.

Actual operating revenues were \$1,959,308 less than amount originally budgeted by fiscal court. This decrease was primarily from a decrease in occupational and net profits tax revenues.

Actual operating expenditures were \$10,963,168 less than amount originally budgeted by fiscal court.

Capital Assets and Debt Administration.

Capital Assets. Scott County's investment in capital assets for its government and business type activities as of June 30, 2009, amounts to \$44,398,437 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements to land other than buildings, machinery and equipment, vehicles and infrastructure. The county has elected to report infrastructure assets per GASB 34 provisions.

Table 3
Scott County's Capital Assets, Net Of Accumulated Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Infrastructure Assets	\$ 12,708,895	\$ 12,575,372	\$	\$	\$12,708,895	\$ 12,575,372
Land	6,782,870	6,782,870			6,782,870	6,782,870
Buildings And Improvements	19,510,243	19,135,811			19,510,243	19,135,811
Other Equipment	2,310,117	2,151,657			2,310,117	2,151,657
Vehicles And Equipment	3,438,582	3,752,727			3,438,582	3,752,727
Total Net Capital Assets	<u>\$ 44,750,707</u>	<u>\$ 44,398,437</u>	<u>\$</u>	<u>\$ 0</u>	<u>\$44,750,707</u>	<u>\$ 44,398,437</u>

Scott County Fiscal Court
Management Discussion and Analysis
June 30, 2009
(Continued)

Long-Term Debt. At the end of the 2009 fiscal year, Scott County had total long-term debt principal outstanding of \$435,000. The amount of this debt due within the next year is \$435,000. This debt is described in note 4 of this report.

Requests for information

This financial report is designed to provide a general overview of Scott County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this or requests for additional financial information should be addressed to the Scott County Treasurer, P.O. Box 973, Georgetown, KY 40324.

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SCOTT COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2009

SCOTT COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2009

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 23,665,900	\$ 11,607	\$ 23,677,507
Total Current Assets	23,665,900	11,607	23,677,507
Noncurrent Assets:			
Capital Assets - Net of			
Accumulated Depreciation			
Land and Land Improvements	6,782,870		6,782,870
Buildings	19,135,811		19,135,811
Other Equipment	2,151,657		2,151,657
Vehicles and Equipment	3,752,727		3,752,727
Infrastructure	12,575,372		12,575,372
Total Noncurrent Assets	44,398,437		44,398,437
Total Assets	68,064,337	11,607	68,075,944
LIABILITIES			
Current Liabilities:			
Revenue Bonds Payable	435,000		435,000
Total Current Liabilities	435,000		435,000
Noncurrent Liabilities:			
Revenue Bonds Payable			
Total Noncurrent Liabilities			
Total Liabilities	435,000		435,000
NET ASSETS			
Invested in Capital Assets,			
Net of Related Debt	43,963,437		43,963,437
Restricted For:			
Indigent Care-Nonexpendable	87,595		87,595
Indigent Care-Expendable	7,308		7,308
Unrestricted	23,570,997	11,607	23,582,604
Total Net Assets	\$ 67,629,337	\$ 11,607	\$ 67,640,944

The accompanying notes are an integral part of the financial statements.

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SCOTT COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2009

SCOTT COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

		Program Revenues Received		
Functions/Programs Reporting Entity	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 12,694,290	\$ 315,847	\$ 1,820,014	\$ 796
Protection to Persons and Property	8,204,125	946,950	389,847	
General Health and Sanitation	775,307	103,945		
Social Services	385,332			
Recreation and Culture	1,142,234			
Roads	2,561,914		1,196,703	
Interest on Long-Term Debt	30,638			
Capital Projects	134,271			
Total Governmental Activities	25,928,111	1,366,742	3,406,564	796
Business-type Activities:				
Jail Canteen	35,475	28,882	671	
Total Business-type Activities			671	
Total Primary Government	\$ 25,963,586	\$ 1,395,624	\$ 3,407,235	\$ 796

General Revenues:

Taxes:

 Real Property Taxes

 Personal Property Taxes

 Motor Vehicle Taxes

 Occupational Tax/Net Profit Tax

Excess Fees

Miscellaneous Revenues

Accrued Interest Received

Total General Revenues

Change in Net Assets

Net Assets - Beginning (Restated)

Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

SCOTT COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2009
(Continued)

Net (Expenses) Revenues and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ (10,557,633)	\$	\$ (10,557,633)
(6,867,328)		(6,867,328)
(671,362)		(671,362)
(385,332)		(385,332)
(1,142,234)		(1,142,234)
(1,365,211)		(1,365,211)
(30,638)		(30,638)
(134,271)		(134,271)
(21,154,009)		(21,154,009)
	(5,922)	(5,922)
	(5,922)	(5,922)
(21,154,009)	(5,922)	(21,159,931)
1,989,938		1,989,938
9,954		9,954
461,860		461,860
10,830,079		10,830,079
2,353,448		2,353,448
1,496,500		1,496,500
902,851		902,851
18,044,630		18,044,630
(3,109,379)	(5,922)	(3,115,301)
70,738,716	17,529	70,756,245
\$ 67,629,337	\$ 11,607	\$ 67,640,944

The accompanying notes are an integral part of the financial statements.

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SCOTT COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2009

SCOTT COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2009

	General Fund	Road Fund	Jail Fund	Public Properties Corporation Fund
ASSETS				
Cash and Cash Equivalents	\$ 22,737,125	\$ 15,817	\$ 42,329	\$ 296
Total Assets	<u>22,737,125</u>	<u>15,817</u>	<u>42,329</u>	<u>296</u>
FUND BALANCES				
Reserved for:				
Permanent Fund-Indigent Care				
Encumbrances	7,518	4,637	5,953	
Unreserved:				
General Fund	22,729,607			
Special Revenue Funds		11,180	36,376	
Debt Service Fund				296
Permanent Fund				
Total Fund Balances	<u>\$ 22,737,125</u>	<u>\$ 15,817</u>	<u>\$ 42,329</u>	<u>\$ 296</u>

The accompanying notes are an integral part of the financial statements.

SCOTT COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
June 30, 2009
(Continued)

Non- Major Funds	Total Governmental Funds
<u>\$ 870,333</u>	<u>\$ 23,665,900</u>
<u>870,333</u>	<u>23,665,900</u>
87,595	87,595
	18,108
	22,729,607
775,430	822,986
	296
<u>7,308</u>	<u>7,308</u>
<u>\$ 870,333</u>	<u>\$ 23,665,900</u>

Reconciliation of the Balance Sheet - Governmental Funds to Statement of Net Assets:

Total Fund Balances	\$ 23,665,900
Amounts Reported For Governmental Activities In The Statement	
Of Net Assets Are Different Because:	
Capital Assets Used in Governmental Activities Are Not Financial Resources	
And Therefore Are Not Reported in the Funds.	66,743,271
Accumulated Depreciation	(22,344,834)
Long-term debt is not due and payable in the current period and, therefore, is not reported in the funds.	
Bonds Payable	<u>(435,000)</u>
Net Assets Of Governmental Activities	<u>\$ 67,629,337</u>

The accompanying notes are an integral part of the financial statements.

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SCOTT COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

SCOTT COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

	General Fund	Road Fund	Jail Fund	Public Properties Corporation Fund
REVENUES				
Taxes	\$ 13,800,813	\$	\$	\$
Excess Fees	1,159,896			
Licenses and Permits	307,327			
Intergovernmental	2,136,117	1,004,560	327,313	
Charges for Services	767,239		43,521	
Miscellaneous	2,130,210	30,032	16,710	
Interest	872,790	2,378		5
Total Revenues	<u>21,174,392</u>	<u>1,036,970</u>	<u>387,544</u>	<u>5</u>
EXPENDITURES				
General Government	5,856,530			
Protection to Persons and Property	6,491,948		1,709,077	
General Health and Sanitation	776,592			
Social Services	367,303			
Recreation and Culture	1,061,002			
Roads		2,437,298		
Debt Service			10,331	435,307
Capital Projects	134,271			
Administration	5,437,261	541,315	714,577	
Total Expenditures	<u>20,124,907</u>	<u>2,978,613</u>	<u>2,433,985</u>	<u>435,307</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>1,049,485</u>	<u>(1,941,643)</u>	<u>(2,046,441)</u>	<u>(435,302)</u>
Other Financing Sources (Uses)				
Transfers From Other Funds		1,870,000	2,020,000	435,084
Transfers To Other Funds	(4,325,084)			
Total Other Financing Sources (Uses)	<u>(4,325,084)</u>	<u>1,870,000</u>	<u>2,020,000</u>	<u>435,084</u>
Net Change in Fund Balances	(3,275,599)	(71,643)	(26,441)	(218)
Fund Balances - Beginning (Restated)	26,012,724	87,460	68,770	514
Fund Balances - Ending	<u>\$ 22,737,125</u>	<u>\$ 15,817</u>	<u>\$ 42,329</u>	<u>\$ 296</u>

The accompanying notes are an integral part of the financial statements.

SCOTT COUNTY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
For The Year Ended June 30, 2009
(Continued)

Non- Major Funds	Total Governmental Funds
\$	\$ 13,800,813
	1,159,896
	307,327
192,143	3,660,133
	810,760
	2,176,952
27,678	902,851
219,821	22,818,732
	5,856,530
	8,201,025
	776,592
18,029	385,332
	1,061,002
	2,437,298
	445,638
	134,271
	6,693,153
18,029	25,990,841
201,792	(3,172,109)
	4,325,084
	(4,325,084)
201,792	(3,172,109)
668,541	26,838,009
\$ 870,333	\$ 23,665,900

The accompanying notes are an integral part of the financial statements.

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**SCOTT COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For The Year Ended June 30, 2009

SCOTT COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ (3,172,109)
--	----------------

Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities the Cost of those Assets is allocated Over their Estimated Useful Lives and Reported as Depreciation Expense.

Capital Outlay	2,044,114
Depreciation Expense	(2,197,889)
Assets Disposed of, Net Book Value	(198,395)

Debt Proceeds Provide Current Financial Resources To Governmental Funds While Lease and Bond Principal Payments Are Expensed in the Governmental Funds as a Use of Current Financial Resources. These Transactions, However, Have No Effect On Net Assets.

Bond Principal Payments	<div style="border-top: 1px solid black; display: inline-block;">415,000</div>
-------------------------	--

Change in Net Assets of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ (3,109,279)</div>
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SCOTT COUNTY
STATEMENT OF NET ASSETS - PROPRIETARY FUND - MODIFIED CASH BASIS

June 30, 2009

SCOTT COUNTY
STATEMENT OF NET ASSETS - PROPRIETARY FUND - MODIFIED CASH BASIS

June 30, 2009

	Business-Type Activities - Enterprise Fund Jail Canteen Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 11,607
Total Assets	<u>11,607</u>
Net Assets	
Unrestricted	<u>11,607</u>
Total Net Assets	<u><u>\$ 11,607</u></u>

The accompanying notes are an integral part of the financial statements.

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SCOTT COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

SCOTT COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund Jail Canteen Fund
Operating Revenues	
Canteen Receipts	\$ 5,820
Miscellaneous	23,062
Total Operating Revenues	<u>28,882</u>
Operating Expenses	
Educational and Recreational	6,693
Personnel Costs	4,060
Miscellaneous	24,722
Total Operating Expenses	<u>35,475</u>
Operating (Loss)	<u>(6,593)</u>
Nonoperating Revenues (Expenses)	
Inmate Pay From State	<u>671</u>
Total Nonoperating Revenues (Expenses)	<u>671</u>
Change In Net Assets	(5,922)
Total Net Assets - Beginning	<u>17,529</u>
Total Net Assets - Ending	<u>\$ 11,607</u>

The accompanying notes are an integral part of the financial statements.

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SCOTT COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

SCOTT COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund Jail Canteen Fund
Cash Flows From Operating Activities	
Cash received from customers	\$ 5,820
Cash received from other sources	23,062
Cash payments for goods and services	(6,693)
Cash payments for employee salaries and benefits	(4,060)
Cash payments to other sources	(24,722)
Net Cash (Used) By Operating Activities	(6,593)
Cash Flows From Noncapital Financing Activities	
Cash received from state	671
Net Cash Provided By Noncapital Financing Activities	671
Net Increase in Cash and Cash Equivalents	(5,922)
Cash and Cash Equivalents - July 1, 2008	17,529
Cash and Cash Equivalents - June 30, 2009	\$ 11,607
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating (Loss)	\$ (6,593)
Net Cash Provided By Operating Activities	\$ (6,593)

The accompanying notes are an integral part of the financial statements.

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SCOTT COUNTY
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUND - MODIFIED CASH BASIS

June 30, 2009

SCOTT COUNTY
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUND - MODIFIED CASH BASIS

June 30, 2009

	<u>Agency Fund</u>
	Jail
	Inmate
	<u>Account</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	<u>\$ 8,983</u>
Total Assets	<u><u>8,983</u></u>
Liabilities	
Amounts Held In Custody For Others	<u>8,983</u>
Total Liabilities	<u><u>8,983</u></u>

The accompanying notes are an integral part of the financial statements.

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENTS**

NOTE 1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	49
NOTE 2.	DEPOSITS	55
NOTE 3.	CAPITAL ASSETS.....	56
NOTE 4.	LONG-TERM DEBT - PUBLIC PROPERTIES CORPORATION	57
NOTE 5.	EMPLOYEE RETIREMENT SYSTEM	57
NOTE 6.	DEFERRED COMPENSATION	58
NOTE 7.	INSURANCE	58
NOTE 8.	ESTIMATED INFRASTRUCTURE HISTORICAL COST	59
NOTE 9.	PRIOR PERIOD ADJUSTMENTS - GOVERNMENTAL ACTIVITIES.....	59

Scott County
Notes To Financial Statements

June 30, 2009

Note 1. Summary Of Significant Accounting Policies

A. Basis Of Presentation

The County presents its government-wide and fund financial statements in accordance with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Notes receivable are recognized on the statement of net assets, but notes receivable are not included and recognized on balance sheet - governmental funds. Property tax receivables, accounts payable, compensated absences, and donated assets are not reflected in the financial statements.

Encumbrances lapse at year-end and are not reflected on the statement of net assets and statement of activities; however encumbrances are reflected on the balance sheet - governmental funds as part of the fund balance (reserved for encumbrances).

The state local finance officer does not require the county to report capital assets and infrastructure; however the value of these assets is included in the statement of net assets and the corresponding depreciation expense is included on the statement of activities.

B. Reporting Entity

The financial statements of Scott County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14 and GASB 39, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Consequently, the reporting entity includes organizations that are legally separate from the primary government. Legally separate organizations are reported as component units if either the county is financially accountable or the organization's exclusion would cause the county's financial statements to be misleading or incomplete. Component units may be blended or discretely presented. Blended component units either provide their services exclusively or almost entirely to the primary government, or their governing bodies are substantively the same as the primary government. All other component units are discretely presented. The county has no discretely presented component units.

Blended Component Units

The following legally separate organization provides its services exclusively to the primary government, and the fiscal court is able to impose its will on this organization. This organization's balances and transactions are reported as though they are part of the county's primary government using the blending method.

Scott County Public Properties Corporation

The Scott County Public Properties Corporation is established for the purpose of providing long-term financing for approved projects. The Scott County Fiscal Court is financially accountable for the component unit as part of the reporting entity and its financial activity is blended with that of the fiscal court.

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary Of Significant Accounting Policies (Continued)

C. Scott County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting Scott County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statements of Scott County, Kentucky.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

D. Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its non-fiduciary component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support. Business-type revenues come mostly from fees charged to external parties for goods or services. Fiduciary funds are not included in these financial statements due to the unavailability of fiduciary funds to aid in the support of government programs.

The statement of net assets presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as net assets. Net assets are reported in three categories: 1) invested in capital assets, net of related debt - consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of those assets; 2) restricted net assets - resulting from constraints placed on net assets by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation; and 3) unrestricted net assets - those assets that do not meet the definition of restricted net assets or invested in capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) operating grants and contributions; and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources such as taxes and unrestricted state funds are reported as general revenues.

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary Of Significant Accounting Policies (Continued)

D. Government-Wide And Fund Financial Statements (Continued)

Generally, and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) September 15, due at discount November 1, due at face value December 31, delinquent January 1 following the assessment, and subject to lien and sale February 1 following the delinquency date.

Funds are characterized as either major or non-major. Major funds are those whose assets, liabilities, revenues, or expenditures/expenses are at least ten percent of the corresponding total (assets, liabilities, etc.) For all funds or type (governmental or proprietary) and whose total assets, liabilities, revenues, or expenditures/expenses are at least five percent of the corresponding total for all governmental and enterprise funds combined. The fiscal court may also designate any fund as major.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the financial statements.

Governmental Funds

The primary government reports the following major governmental funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary source of revenue for this fund is state payments for truck licenses distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the general fund.

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of revenue for this fund are reimbursements from the state and federal government, payments from other counties for housing prisoners, and transfers from the general fund. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the general fund.

Public Properties Corporation Fund - This fund is for the accumulation of resources for, and the payment of general long-term debt principal and interest.

The primary government also has the following non-major governmental funds: Local Government Economic Assistance Fund, McCracken Trust Fund, and The Hospital Fund. The Local Government Economic Assistance Fund and The Hospital Fund are special revenue funds and the McCracken Trust Fund is a permanent fund. These funds are used to account for the proceeds of specific revenue sources and expenditures that are legally restricted for specific purposes.

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary Of Significant Accounting Policies (Continued)

D. Government-Wide And Fund Financial Statements (Continued)

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the county's enterprise funds are charges to customers for sales in the Jail Canteen Fund. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. The government has elected not to adopt Financial Accounting Standards Board (FASB) statements or interpretations issued after November 30, 1989, unless the Government Accounting Standards Board (GASB) specifically adopts such FASB statements of interpretations.

The primary government reports the following major proprietary fund:

Jail Canteen Fund - The canteen operations are authorized pursuant to KRS 441.135(1), which allows the Jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 441.135(2) requires the Jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail canteen fund.

Fiduciary Funds

Fiduciary funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. The county's agency fund is used to account for monies held by the county in the Jail Inmate Account for custodial purposes only. Unlike other funds, the agency fund reports assets and liabilities only; therefore, it has no measurement focus.

The primary government reports the following fiduciary fund:

Jail Inmate Account - This fund accounts for funds received from prisoners upon arrival at the detention center and remitted to the prisoners upon release.

E. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the united states and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary Of Significant Accounting Policies (Continued)

F. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported in the applicable governmental or business-type activities of the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and construction in progress are not depreciated. Interest incurred during construction is not capitalized. Capital assets and infrastructure are depreciated using the straight-line method of depreciation over the estimated useful life of the asset.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 5,000	20-25
Buildings and Building Improvements	\$ 5,000	10-60
Machinery and Equipment	\$ 5,000	3-25
Vehicles	\$ 5,000	3-12
Infrastructure	\$ 5,000	20-40

G. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable financial statements. The principal amount of bonds, notes and financing obligations are reported.

In the fund financial statements, governmental fund types recognize bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt proceeds are reported as other financing sources.

H. Fund Equity

In the fund financial statements, the difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into reserved and unreserved components, with unreserved considered available for new spending. Unreserved fund balances may be divided into designated and undesignated portions. Designations represent fiscal court's intended use of the resources and should reflect actual plans approved by the fiscal court.

Governmental funds report reservations of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose, long-term receivables, and encumbrances.

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 1. Summary Of Significant Accounting Policies (Continued)

H. Fund Equity (Continued)

The McCracken Trust Fund was established by the will of John C. McCracken in 1835. The will imposed that the fund be held in perpetuity and that one-third of the proceeds and profits be used to increase and augment the principal. The remaining two-thirds of the proceeds and profits were to be used at the fiscal court's discretion to alleviate the misfortunes and bettering the conditions of poor and indigent persons.

I. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the state local finance officer. Formal budgets are not adopted for the Public Properties Corporation Fund, the Jail Canteen Fund, and the Jail Canteen Inmate Agency Fund.

The State Local Finance Officer does not require the Public Properties Corporation Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific annual payments to these funds and these transfers are budgeted in the governmental funds.

The State Local Finance Officer does not require the Jail Canteen Fund and The Jail Canteen Inmate Agency Fund to be budgeted because the fiscal court does not approve the expenses made from these funds.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the Fiscal Court by July 1.

The Fiscal Court may change the original budget by transferring appropriations at the activity level; however, the Fiscal Court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

J. Related Organizations, Joint Venture, and Jointly Governed Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Scott County Fiscal Court: Georgetown-Scott County Tourism and the Scott County Public Library.

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based upon these criteria, the following is considered a joint venture of the Scott County Fiscal Court: Park and Recreation and Planning and Zoning.

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 2. Deposits

The primary government maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), The depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the primary government's deposits may not be returned. The primary government does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). The primary government's bank balances were exposed to custodial credit risk because the bank did not adequately collateralize the primary government's deposits in accordance with the security agreement.

- Uncollateralized and Uninsured - \$500,583 as of June 30, 2009

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Reporting Entity			
	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government:				
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 6,782,870	\$	\$	\$ 6,782,870
Total Capital Assets Not Being Depreciated	6,782,870			6,782,870
Capital Assets, Being Depreciated:				
Buildings	24,814,391	60,590	(81,600)	24,793,381
Other Equipment	4,527,918	243,620	(332,340)	4,439,198
Vehicles and Equipment	6,342,025	807,761	(526,716)	6,623,070
Infrastructure	23,172,609	932,143		24,104,752
Total Capital Assets Being Depreciated	58,856,943	2,044,114	(940,656)	59,960,401
Less Accumulated Depreciation For:				
Buildings	(5,304,148)	(395,870)	42,448	(5,657,570)
Other Equipment	(2,217,801)	(288,837)	219,097	(2,287,541)
Vehicles and Equipment	(2,903,443)	(447,616)	480,716	(2,870,343)
Infrastructure	(10,463,714)	(1,065,666)		(11,529,380)
Total Accumulated Depreciation	(20,889,106)	(2,197,989)	742,261	(22,344,834)
Total Capital Assets, Being Depreciated, Net	37,967,837	(153,875)	(198,395)	37,615,567
Governmental Activities Capital Assets, Net	<u>\$ 44,750,707</u>	<u>\$ (153,875)</u>	<u>\$ (198,395)</u>	<u>\$ 44,398,437</u>

Depreciation Expense Was Charged To Functions Of The Primary Government As Follows:

<u>Governmental Activities:</u>	
General Government	\$ 202,864
Protection to Persons and Property	704,083
General Health and Sanitation	27,950
Recreation and Culture	68,832
Roads, Including Depreciation of General Infrastructure Assets	<u>1,194,260</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,197,989</u>

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 4. Long-Term Debt - Public Properties Corporation

In September 1997, the Scott County Public Properties Corporation Fund issued \$3,415,000 of revenue refunding bonds, series 1997. The bonds were issued for advance refunding of the outstanding 1990 bonds maturing on and after January 1, 2002 to 2010. Interest is payable semi-annually on January 1 and July 1 of each year, and principal payments are due on January 1 of each year in the amounts stated below. The total principal outstanding was \$435,000 as of June 30, 2009.

Fiscal Year Ended June 30	Governmental Activities	
	Principal	Interest
2010	\$ 435,000	\$ 20,663
Totals	<u>\$ 435,000</u>	<u>\$ 20,663</u>

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
<u>Governmental Activities:</u>					
Revenue Bonds	\$ 850,000	\$	\$ 415,000	\$ 435,000	\$ 435,000
Governmental Activities					
Long-term Liabilities	<u>\$ 850,000</u>	<u>\$ 0</u>	<u>\$ 415,000</u>	<u>\$ 435,000</u>	<u>\$ 435,000</u>

Note 5. Employee Retirement System

The fiscal court has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 13.50 percent.

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 9 percent of their salary to be allocated as follows: 8% will go to the member's account and 1% will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 29.50 percent.

The county's contribution for FY 2007 was \$1,893,237, FY 2008 was \$2,336,422, and FY 2009 was \$2,103,729.

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 5. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008 aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 6. Deferred Compensation

The Scott County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permits all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's Annual Financial Report. This report may be obtained by writing Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, KY 40601-8862, or by telephone at (502) 573-7925.

Note 7. Insurance

For the fiscal year ended June 30, 2009, Scott County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

SCOTT COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Note 8. Estimated Infrastructure Historical Cost

Historical cost of infrastructure placed in service prior to the fiscal year ended June 30, 2003 (Year of GASB 34 implementation) is an estimate. For those assets, the primary government estimated the year infrastructure was built by determining when a major reconstruction had been done on infrastructure. This estimate was used to calculate the infrastructure historical cost by determining current year construction cost and deflating it back to the estimated year of construction or reconstruction. Estimated infrastructure historical cost includes infrastructure placed in service from fiscal year 1984 through June 30, 2002. All infrastructure assets placed in service during the fiscal year ended June 30, 2003 and thereafter are recorded at actual historical cost.

Note 9. Prior Period Adjustments - Governmental Activities

The fiscal year ended June 30, 2008 General Fund balance was restated due to a debt service payment being accounted for as a general fund expense and as a transfer:

Ending Balance Fiscal Year Ended June 30, 2008	\$ 25,588,357
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Adjustments are as follows:

General Fund	
Beginning Balance	424,367
	<hr/>
Restated Balance June 30, 2009	\$ 26,012,724
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SCOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
REQUIRED SUPPLEMENTARY INFORMATION - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

SCOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
REQUIRED SUPPLEMENTARY INFORMATION - MODIFIED CASH BASIS

For The Year Ended June 30, 2009

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 16,927,000	\$ 16,927,000	\$ 13,800,813	\$ (3,126,187)
Excess Fees	850,000	850,000	1,159,896	309,896
Licenses and Permits	370,000	370,000	307,327	(62,673)
Intergovernmental Revenue	1,635,600	1,635,600	2,136,117	500,517
Charges for Services	585,000	585,000	767,239	182,239
Miscellaneous	2,044,100	2,044,100	2,130,210	86,110
Interest	722,000	722,000	872,790	150,790
Total Revenues	23,133,700	23,133,700	21,174,392	(1,959,308)
EXPENDITURES				
General Government	8,365,694	8,365,694	5,856,530	2,509,164
Protection to Persons and Property	7,568,518	7,568,518	6,491,948	1,076,570
General Health and Sanitation	901,528	901,528	776,592	124,936
Social Services	403,220	403,220	367,303	35,917
Recreation and Culture	1,322,818	1,322,818	1,061,002	261,816
Debt Service	436,000	436,000		436,000
Capital Projects	3,750,000	3,750,000	134,271	3,615,729
Administration	8,340,297	8,340,297	5,437,261	2,903,036
Total Expenditures	31,088,075	31,088,075	20,124,907	10,963,168
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(7,954,375)	(7,954,375)	1,049,485	9,003,860
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds	(6,398,351)	(6,398,351)	(4,325,084)	2,073,267
Total Other Financing Sources (Uses)	(6,398,351)	(6,398,351)	(4,325,084)	2,073,267
Net Changes in Fund Balance	(14,352,726)	(14,352,726)	(3,275,599)	11,077,127
Fund Balance - Beginning	14,352,726	14,352,726	26,012,724	11,659,998
Fund Balance - Ending	\$ 0	\$ 0	\$ 22,737,125	\$ 22,737,125

SCOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
REQUIRED SUPPLEMENTARY INFORMATION - MODIFIED CASH BASIS
For The Year Ended June 30, 2009
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 956,000	\$ 956,000	\$ 1,004,560	\$ 48,560
Miscellaneous	16,200	16,200	30,032	13,832
Interest	2,500	2,500	2,378	(122)
Total Revenues	974,700	974,700	1,036,970	62,270
EXPENDITURES				
Roads	3,771,500	3,771,650	2,437,298	1,334,352
Capital Projects	120,000	120,000		120,000
Administration	864,000	863,850	541,315	322,535
Total Expenditures	4,755,500	4,755,500	2,978,613	1,776,887
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(3,780,800)	(3,780,800)	(1,941,643)	1,839,157
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	3,780,800	3,780,800	1,870,000	(1,910,800)
Total Other Financing Sources (Uses)	3,780,800	3,780,800	1,870,000	(1,910,800)
Net Changes in Fund Balance			(71,643)	(71,643)
Fund Balance - Beginning			87,460	87,460
Fund Balance - Ending	\$ 0	\$ 0	\$ 15,817	\$ 15,817

SCOTT COUNTY
BUDGETARY COMPARISON SCHEDULES
REQUIRED SUPPLEMENTARY INFORMATION - MODIFIED CASH BASIS
For The Year Ended June 30, 2009
(Continued)

JAIL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 240,000	\$ 240,000	\$ 327,313	\$ 87,313
Charges for Services	22,000	22,000	43,521	21,521
Miscellaneous	17,100	17,100	16,710	(390)
Total Revenues	279,100	279,100	387,544	108,444
EXPENDITURES				
Protection to Persons and Property	1,949,151	2,008,413	1,709,077	299,336
Debt Service	30,000	30,000	10,331	19,669
Administration	917,500	858,238	714,577	143,661
Total Expenditures	2,896,651	2,896,651	2,433,985	462,666
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(2,617,551)	(2,617,551)	(2,046,441)	571,110
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	2,617,551	2,617,551	2,020,000	(597,551)
Total Other Financing Sources (Uses)	2,617,551	2,617,551	2,020,000	(597,551)
Net Changes in Fund Balance			(26,441)	(26,441)
Fund Balance - Beginning			68,770	68,770
Fund Balance - Ending	\$ 0	\$ 0	\$ 42,329	\$ 42,329

Scott County
Notes To Required Supplementary Information

June 30, 2009

Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the Fiscal Court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the Fiscal Court by July 1.

The Fiscal Court may change the original budget by transferring appropriations at the activity level; however, the Fiscal Court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

**SCOTT COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
OTHER SUPPLEMENTARY INFORMATION**

June 30, 2009

SCOTT COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
OTHER SUPPLEMENTARY INFORMATION

June 30, 2009

	LGEA Fund	McCracken Trust Fund	Hospital Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 387,631	\$ 94,903	\$ 387,799	\$ 870,333
Total Assets	<u>387,631</u>	<u>94,903</u>	<u>387,799</u>	<u>870,333</u>
FUND BALANCES				
Reserved For:				
Permanent Fund-Indigent Care		87,595		87,595
Unreserved:				
Permanent Fund		7,308		7,308
Special Revenue Funds	<u>387,631</u>		<u>387,799</u>	<u>775,430</u>
Total Fund Balances	<u>\$ 387,631</u>	<u>\$ 94,903</u>	<u>\$ 387,799</u>	<u>\$ 870,333</u>

The accompanying notes are an integral part of the financial statements.

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SCOTT COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
OTHER SUPPLEMENTARY INFORMATION

For The Year Ended June 30, 2009

SCOTT COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
OTHER SUPPLEMENTARY INFORMATION

For The Year Ended June 30, 2009

	LGEA Fund	McCracken Trust Fund	Hospital Fund	Total Non-Major Governmental Funds
REVENUES				
Intergovernmental	\$ 192,143	\$	\$	\$ 192,143
Miscellaneous				
Interest	3,997	4,599	19,082	27,678
Total Revenues	<u>196,140</u>	<u>4,599</u>	<u>19,082</u>	<u>219,821</u>
EXPENDITURES				
Social Services		529	17,500	18,029
Total Expenditures		<u>529</u>	<u>17,500</u>	<u>18,029</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>196,140</u>	<u>4,070</u>	<u>1,582</u>	<u>201,792</u>
Net Change in Fund Balances	196,140	4,070	1,582	201,792
Fund Balances - Beginning	191,491	90,833	386,217	668,541
Fund Balances - Ending	<u>\$ 387,631</u>	<u>\$ 94,903</u>	<u>\$ 387,799</u>	<u>\$ 870,333</u>

The accompanying notes are an integral part of the financial statements.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable George Lusby, Scott County Judge/Executive
Members of the Scott County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With Government Auditing Standards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Scott County, Kentucky, as of and for the year ended June 30, 2009, which collectively comprise the county's basic financial statements and have issued our report thereon dated May 7, 2010. Scott County prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Scott County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Scott County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Scott County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the modified cash basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statement that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.



Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Scott County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management and the Department for Local Government and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Crit Luallen', with a long horizontal flourish extending to the right.

Crit Luallen
Auditor Of Public Accounts

May 7, 2010

**CERTIFICATE OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

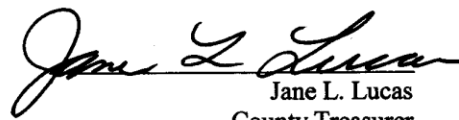
SCOTT COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2009**

CERTIFICATE OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
SCOTT COUNTY FISCAL COURT
For the Fiscal Year Ended June 30, 2009

The Scott County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.


George Lusby
County Judge/Executive


Jane L. Lucas
County Treasurer

